



PRESS RELEASE

Attorney General Frosh Announces Filing of 3rd Multistate Lawsuit Against Sandoz, Inc., 26 Other Generic Manufacturers, 10 Individuals in Generic Drug Price-Fixing Conspiracy

BALTIMORE, MD (June 10, 2020) - Maryland Attorney General Brian E. Frosh today announced a multistate [lawsuit](#) against Sandoz, Inc. and 26 of the nation's largest generic drug manufacturers, alleging a broad conspiracy to artificially inflate and manipulate prices, reduce competition, and unreasonably restrain trade for generic drugs sold across the United States. This new complaint, filed in the U.S. District Court for the District of Connecticut, focuses on 80 topical generic drugs that account for billions of dollars of sales in the United States. The complaint names 26 corporate defendants and 10 individual defendants. The lawsuit seeks damages, civil penalties, and actions by the court to restore competition to the generic drug market.

The topical drugs at the center of the complaint include creams, gels, lotions, ointments, shampoos, and solutions used to treat a variety of skin conditions, pain, and allergies. The complaint stems from an ongoing investigation built on evidence from several cooperating witnesses at the core of the conspiracy, a massive document database of over 20 million documents, and a phone records database containing millions of call detail records and contact information for over 600 sales and pricing individuals in the generics industry. Among the records obtained by the States is a two-volume notebook containing the contemporaneous notes of one of the States' cooperators that memorialized his discussions during phone calls with competitors and internal company meetings over a period of several years.

Between 2007 and 2014, three generic drug manufacturers, Taro, Perrigo, and Fougere (now Sandoz) sold nearly two-thirds of all generic topical products dispensed in the United States. The multistate investigation has uncovered comprehensive, direct evidence of unlawful agreements to minimize competition and raise prices on dozens of topical products. The complaint alleges longstanding agreements among manufacturers to ensure a "fair share" of the market for each competitor, and to prevent "price erosion" due to competition.

"This complaint shows again a tangled web of industry executives and sales people who met with each other on social outings and at trade shows, and had conversations that laid the groundwork for the illegal agreements," said Attorney General Frosh. "Their price-fixing schemes cost patients, the State of Maryland and health insurance companies billions of dollars in unnecessary health care expenditures."

The complaint is the third to be filed in an ongoing investigation that is possibly the largest domestic corporate cartel case in the history of the United States. The [first complaint](#), still pending in the U.S. District Court in the Eastern District of Pennsylvania, was filed in 2016 and now includes 18 corporate defendants, two individual defendants, and 15 generic drugs. The [second complaint](#), also pending in the U.S. District Court in the Eastern District of Pennsylvania, was filed in 2019 against Teva Pharmaceuticals and 19 of the nation's largest generic drug manufacturers. The complaint names 16 individual senior executive Defendants. Maryland and the other states are currently preparing for trial on that complaint.

Corporate defendants:

1. Sandoz, Inc.
2. Actavis Holdco U.S., Inc.
3. Actavis Elizabeth LLC
4. Actavis Pharma, Inc.
5. Amneal Pharmaceuticals, Inc.
6. Amneal Pharmaceuticals, LLC
7. Aurobindo Pharma USA, Inc.
8. Bausch Health Americas, Inc.
9. Bausch Health, US LLC
10. Fougera Pharmaceuticals, Inc.
11. G&W Laboratories, Inc.
12. Glenmark Pharmaceuticals Inc., USA
13. Greenstone LLC
14. Lannett Company, Inc.
15. Lupin Pharmaceuticals, Inc.
16. Mallinckrodt Inc.
17. Mallinckrodt plc
18. Mallinckrodt LLC
19. Mylan Inc.
20. Mylan Pharmaceuticals Inc.
21. Perrigo New York, Inc.
22. Pfizer, Inc.
23. Sun Pharmaceutical Industries, Inc.
24. Taro Pharmaceuticals USA, Inc.
25. Teligent, Inc.
26. Wockhardt USA, LLC

Individual Defendants:

1. Ara Aprahamian, the Vice President of Sales and Marketing at Defendant Taro Pharmaceuticals U.S.A, Inc.
2. Mitchell Blashinsky, the Vice President of Marketing for Generics at Defendant Taro Pharmaceuticals USA, Inc. from January 2007 through May 2012, and Vice President of Sales and Marketing at Defendant Glenmark Pharmaceuticals Inc., USA from June 2012 through March 2014.
3. Douglas Boothe, the Chief Executive Officer of Defendant Actavis from August 2008 through December 2012 and the Executive Vice President and General

- Manager of Defendant Perrigo New York, Inc. from January 2013 through July 2016.
4. James Grauso, the former Vice President of Sales and Marketing at Defendant G&W Laboratories from January 2010 through December 2011; the Senior Vice President, Commercial Operations for Defendant Aurobindo from December 2011 through January 2014; and the Executive Vice President, N.A. Commercial Operations at Defendant Glenmark from February 2014 to the present.
 5. Walt Kaczmarek, the Senior Director, National Accounts, Vice President, National Accounts and Senior Vice President, Commercial Operations from November 2004 through November 2012 for Fougera Pharmaceuticals, a division of Nycomed US, Inc. (currently part of Defendant Sandoz, Inc.), and Vice President - General Manager, and President, Multi-Source Pharmaceuticals from November 2013 through August 2016 for Defendant Mallinckrodt.
 6. Armando Kellum, the former Vice President, Contracting and Business Analytics at Sandoz.
 7. Kurt Orlofski, the President and Chief Executive Officer from April 2007 through August 2009 for Defendant Wockhardt USA, and President of Defendant G&W Labs, Inc. from September 2009 through December 2016.
 8. Mike Perfetto, the Vice President of Sales and Marketing for Defendant Actavis from August 2003 through January 2013, and the Chief Commercial Officer for Defendant Taro from January 2013 through his recent retirement from the company.
 9. Erika Vogel-Baylor, the former Vice President for Sales and Marketing for Defendant G&W Labs, Inc. since July 2011.
 10. John Wesolowski, the Senior Vice President of Commercial Operations for Defendant Perrigo since February 2004.

Drugs listed in the complaint as subject to price-fixing and market allocation agreements:

1. Acetazolamide Tablets
2. Adapalene Cream
3. Alclometasone Dipropionate Cream
4. Alclometasone Dipropionate Ointment
5. Ammonium Lactate Cream
6. Ammonium Lactate Lotion
7. Betamethasone Dipropionate Cream
8. Betamethasone Dipropionate Lotion
9. Betamethasone Valerate Cream
10. Betamethasone Valerate Lotion
11. Betamethasone Valerate Ointment
12. Bromocriptine Mesylate Tablets
13. Calcipotriene Solution
14. Calcipotriene Betamethasone Dipropionate Ointment
15. Carbamazepine ER Tablets
16. Cefpodoxime Proxetil Oral Suspension
17. Cefpodoxime Proxetil Tablets
18. Ciclopirox Cream
19. Ciclopirox Shampoo
20. Ciclopirox Solution

21. Clindamycin Phosphate Cream
22. Clindamycin Phosphate Gel
23. Clindamycin Phosphate Lotion
24. Clindamycin Phosphate Solution
25. Clobetasol Propionate Cream
26. Clobetasol Propionate Emollient Cream
27. Clobetasol Propionate Gel
28. Clobetasol Propionate Ointment
29. Clobetasol Propionate Solution
30. Clotrimazole 1% Cream
31. Clotrimazole Betamethasone Dipropionate Cream
32. Clotrimazole Betamethasone Dipropionate Lotion
33. Desonide Cream
34. Desonide Lotion
35. Desonide Ointment
36. Desoximetasone Ointment
37. Econazole Nitrate Cream
38. Eplerenone Tablets
39. Erythromycin Base/Ethyl Alcohol Solution
40. Ethambutol HCL Tablets
41. Fluocinolone Acetonide Cream
42. Fluocinolone Acetonide Ointment
43. Fluocinonide .1% Cream
44. Fluocinonide Gel
45. Fluocinonide Ointment
46. Fluocinonide Solution
47. Fluticasone Propionate Lotion
48. Griseofulvin Microsize Tablets
49. Halobetasol Propionate Cream
50. Halobetasol Propionate Ointment
51. Hydrocortisone Acetate Suppositories
52. Hydrocortisone Valerate Cream
53. Imiquimod Cream
54. Ketoconazole Cream
55. Latanoprost Drops
56. Lidocaine Ointment
57. Methazolamide Tablets
58. Methylphenidate HCL Tablets
59. Methylphenidate HCL ER Tablets
60. Metronidazole Cream
61. Metronidazole .75% Gel
62. Metronidazole .1% Gel
63. Metronidazole Lotion
64. Mometasone Furoate Cream
65. Mometasone Furoate Ointment
66. Mometasone Furoate Solution
67. Nafcillin Sodium Injectable Vials
68. Nystatin Ointment

69. Nystatin Triamcinolone Cream
70. Nystatin Triamcinolone Ointment
71. Oxacillin Sodium Injectable Vials
72. Phenytoin Sodium ER Capsules
73. Pioglitazone HCL Metformin HCL Tablets
74. Prochlorperazine Maleate Suppositories
75. Promethazine HCL Suppositories
76. Tacrolimus Ointment
77. Terconazole Cream
78. Triamcinolone Acetonide Cream
79. Triamcinolone Acetonide Ointment
80. Triamcinolone Acetonide Paste

In addition to Maryland, the suit was joined by the attorneys general of Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Territory of Guam, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Northern Mariana Islands, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Tennessee, Utah, U.S. Virgin Islands, Vermont, Virginia, Washington, West Virginia and Wisconsin.